

# FINAL BILL REPORT

## ESHB 1636

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Synopsis as Enacted

**Brief Description:** Concerning services performed by amateur sports officials.

**Sponsors:** House Committee on Labor & Workforce Development (originally sponsored by Representatives Upthegrove, Nealey, Ormsby, Green, Fitzgibbon, Lias, Orcutt, Maxwell, Sullivan, Pedersen, Anderson, Van De Wege, McCune, Orwall, Ross, Goodman, Sells, Bailey, Stanford, Pearson, Roberts, Kristiansen, Warnick, Cody, Moscoso and Billig).

**House Committee on Labor & Workforce Development**  
**Senate Committee on Labor, Commerce & Consumer Protection**

**Background:**

Unemployment benefits may be paid and unemployment contributions (taxes) may be owed depending on whether services are deemed to be employment covered by the Employment Security Act. If so, benefits and taxes also depend on whether an exception test for independent contractors or an exclusion for certain services or persons applies.

A "services referral agency" is a business that offers the services of an individual to perform specific tasks for a third party. Personal services performed for a third party pursuant to a contract with a services referral agency are deemed to be employment for the agency when the agency is responsible for the payment of wages for those services. The Washington Court of Appeals recently concluded that such services are not employment if: (1) the agency is responsible only for promptly forwarding fees to an individual once the agency receives fees from the third party; and (2) the individual is not otherwise entitled to payment.

**Summary:**

For unemployment compensation purposes, services performed by certain amateur sports officials, on a contest-by-contest basis, for interscholastic and recreational sports contests are excluded from employment. This exclusion does not apply to services for a state or local governmental entity, an Indian tribe, or certain nonprofit organizations.

These services also are not considered employment for services referral agencies if an agency is not responsible for payment to an official unless and until the agency is paid or reimbursed by a third party.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

"Amateur sports official" is defined as a person who serves as a neutral participant in a sports contest where the players are not compensated. Examples of such officials include umpires and referees.

**Votes on Final Passage:**

House	94	0
Senate	48	0

**Effective:** July 22, 2011